



Second Quarter 2012 Earnings Conference Call

16 May 2012



JOHN DEERE

Safe Harbor Statement & Disclosures

The earnings call and accompanying material include forward-looking comments and information concerning the company's projections, plans and objectives for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance and other factors that impact our businesses and customers. They also may include financial measures that are not in conformance with accounting principles generally accepted in the United States of America (GAAP). Words such as "forecast," "projection," "outlook," "prospects," "expected," "estimated," "will," "plan," "anticipate," "intend," "believe," or other similar words or phrases often identify forward-looking statements. Actual results may differ materially from those projected in these forward-looking statements based on a number of factors and uncertainties. Additional information concerning factors that could cause actual results to differ materially is contained in the company's most recent Form 8-K and periodic report filed with the U.S. Securities and Exchange Commission, and is incorporated by reference herein. Investors should refer to and consider the incorporated information on risks and uncertainties in addition to the information presented here. Investors should consider non-GAAP financial measures in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP. The company, except as required by law, undertakes no obligation to update or revise its forward-looking statements whether as a result of new developments or otherwise. The call and accompanying materials are not an offer to sell or a solicitation of offers to buy any of the company's securities.



Overview

Second Quarter 2012

- Sales and earnings reach new single-quarter records
- EPS rise 23% on 12% increase in net sales and revenues
- 16% operating profit margin for worldwide equipment operations
- Skillful execution of operating plans
 - Major new-product launches featuring advanced engine-emission technology
 - Significantly expanding global market presence

Fiscal Year 2012 Forecast

- Full-year earnings forecast boosted to \$3.35 billion
- Impressive strength and endurance in the global farm economy
- Gaining new customers globally through innovative lines of equipment

Deere & Company Forecast as of 16 May 2012

Second Quarter Overview

<i>(in millions of dollars except per share amounts)</i>	Q2 2012	Q2 2011	Change
Net Sales and Revenues	\$10,009	\$8,910	+12%
Net Sales	\$9,405	\$8,328	+13%
Net Income Attributable to Deere & Company	\$1,056	\$904	+17%
Diluted EPS	\$2.61	\$2.12	+23%

Second Quarter Overview

Net Sales

Equipment operations net sales: Up 13% in Q2 2012 vs. Q2 2011

- Price realization: +5 points
- Currency translation: (2) points



Worldwide Agriculture & Turf Second Quarter Overview

<i>(in millions of dollars)</i>	Q2 2012	Q2 2011	Change
Net Sales	\$7,735	\$6,999	+11%
Operating Profit*	\$1,403	\$1,163	+21%

Incremental Margin ~ 33%

*Q2 2012 operating profit impacted by:

- Higher shipment volumes
- Price realization
- Increased production costs related to new products and engine-emission requirements
- Higher raw-material costs
- Higher research and development expenses

U.S. Commodity Price Estimates

<i>(dollars per bushel, except cotton, which is dollars per pound)</i>	2010/11	2011/12 Forecast	Previous 2011/12	2012/13 Forecast	Previous 2012/13
Corn	\$5.18	\$6.05	\$6.00	\$4.85	\$5.30
Wheat	\$5.70	\$7.25	\$7.20	\$6.25	\$6.70
Soybeans	\$11.30	\$12.25	\$11.75	\$13.00	\$10.50
Cotton	\$0.82	\$0.90	\$0.88	\$0.70	\$0.75

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



U.S. Farm Cash Receipts

<i>(in billions of dollars)</i>	2010	2011 Forecast	Previous 2011	2012 Forecast	Previous 2012
Crops	\$172.9	\$201.1	\$207.6	\$202.9	\$200.4
Livestock	\$141.4	\$162.4	\$163.1	\$163.1	\$162.2
Government Payments	\$12.4	\$10.7	\$10.7	\$9.3	\$9.3
Total Cash Receipts	\$326.7	\$374.2	\$381.4	\$375.3	\$371.9

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)

U.S. Acres Planted and Crop Yields

<i>(Yield in bushels per acre, except cotton, which is pounds per acre)</i>	Acres Planted <i>(millions)</i>		Yield	
	2011/12	2012/13 Forecast	2011/12	2012/13 Forecast
Corn	91.9	95.5	147.2	163.2
Wheat	54.4	55.9	43.7	45.5
Soybeans	75.0	74.9	41.5	44.3
Cotton	14.7	13.2	790	808

Deere & Company Forecast as of 16 May 2012



Economic Update

EU 27

Optimism continues in the Agricultural sector

- Farm business climate and mood remain at high levels

Farm income expected to be above long-term average levels

- Grain, beef and milk prices at attractive levels

Demand for agricultural equipment remains strong

- Sovereign debt and fiscal issues concentrated in Southern Europe
 - Not key agricultural markets

Low levels of used equipment

Deere & Company Forecast as of 16 May 2012



Economic Update

Other Selected Markets

Commonwealth of Independent States (CIS)

- Farm income and commodity markets expected to be stable in 2012, following a strong 2011
- Third-party financing available
- Ongoing business optimism is leading to increased investments
 - Especially in Russia and Kazakhstan

India

- High interest rates
- Commodity prices expected to soften against 2011 but remain elevated due to strong demand
- Increased focus from government for farm mechanization
- Monsoon expected to be normal

China

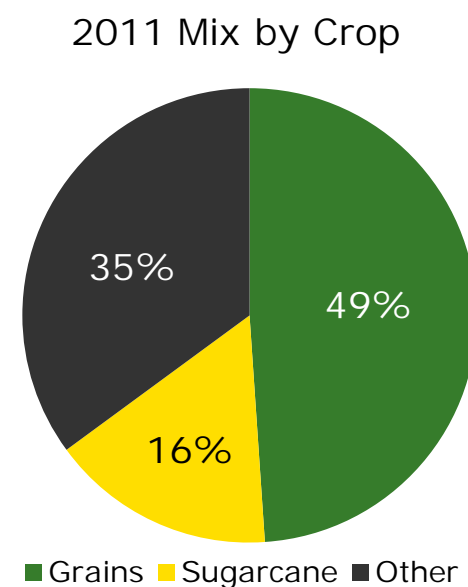
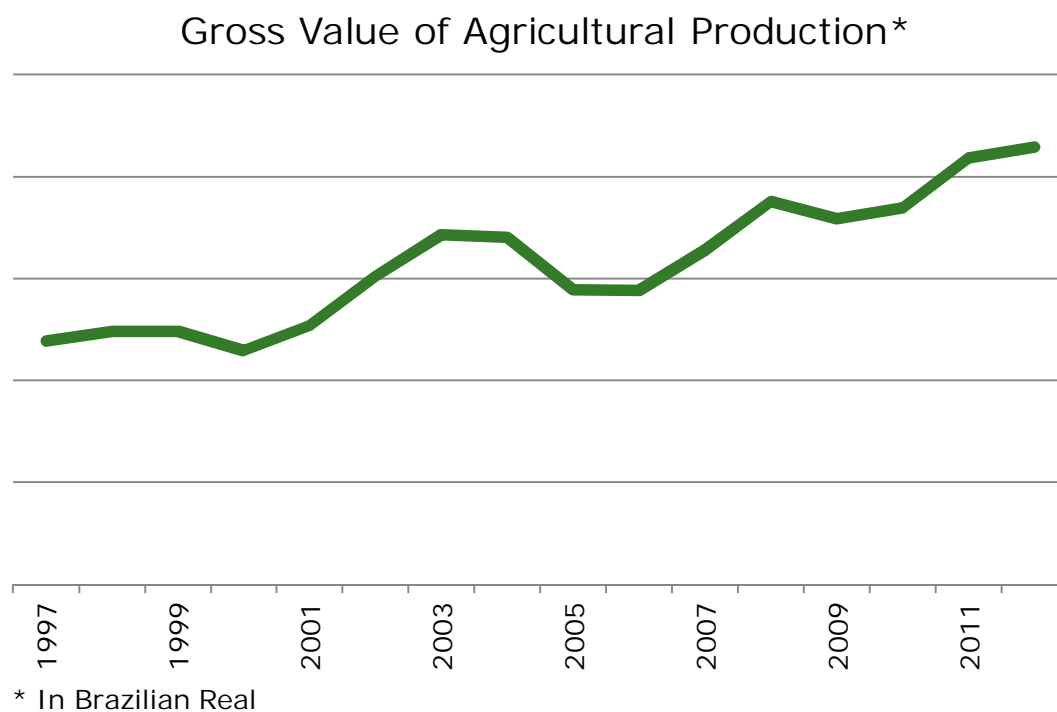
- Grain prices strong leading to positive farm income
- Strong government support of agricultural mechanization
- Expect increased crop production in 2012

Deere & Company Forecast as of 16 May 2012



Gross Value of Agricultural Production Brazil

Expected to increase 2.7% in 2012 over last season



Source: MAPA (Brazilian Ministry of Agriculture), May 2012



Agriculture & Turf Retail Sales Industry Outlook – Fiscal 2012

U.S. and Canada Ag: Up more than 10%

- Previous forecast: Up ~ 10%

EU 27 Ag: Flat to up 5%

- No change from previous forecast

CIS countries Ag: Considerably higher

- No change from previous forecast

Asia Ag: Up moderately, though slowing

- Previous forecast: Increase moderately

South America Ag: Down 5-10%

- Previous forecast: Flat to down 5%

U.S. and Canada turf and utility equipment: Up ~ 5%

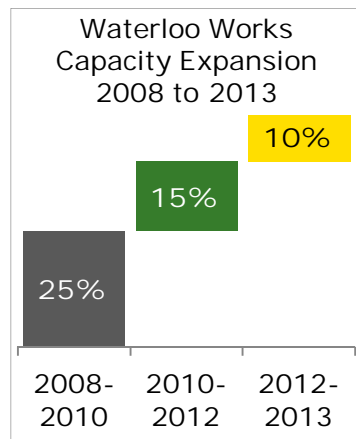
- Previous forecast: Up slightly

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Waterloo Works

Expanding to Meet Global Demand



Waterloo Works Global Market Footprint

- Major markets:
 - U.S. & Canada
 - EU 27 (mainly France, Germany & UK)
 - Russia & CIS (mainly Ukraine & Kazakhstan)
 - Australia
 - South America (mainly Brazil & Argentina)
- About 1 in 3 tractors are exported outside the U.S.

Waterloo Works Capacity Expansion

- From 2008 to 2013 manufacturing capacity for large tractors will have increased by over 50%



Deere & Company Forecast as of 16 May 2012

Worldwide Agriculture & Turf Deere & Company Outlook

Fiscal Year 2012 Forecast

- Net sales: Up ~ 15%
 - Currency translation: ~ (3) points
- No change from previous forecast

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Worldwide Construction & Forestry

Second Quarter Overview

<i>(in millions of dollars)</i>	Q2 2012	Q2 2011	Change
Net Sales	\$1,670	\$1,329	+26%
Operating Profit*	\$119	\$105	+13%

Incremental Margin ~ 4%

*Q2 2012 operating profit impacted by:

- Price realization
- Higher shipment volumes
- Increased raw-material costs
- Unfavorable product mix
- Increases in:
 - Research and development expenses
 - Selling, administrative and general expenses
 - Costs related to engine emissions requirements



Worldwide Construction & Forestry

Deere & Company Outlook

Fiscal Year 2012 Forecast

- Net sales: Up ~ 20%
 - Currency translation: ~ (1) point
- Previous forecast: Up ~ 18%
 - Currency translation: ~ (1) point

U.S. Economic Indicators	2012 Forecast
GDP Growth (annual percentage rate)*	+2.2%
Housing Starts (thousands)	740
Non-Residential Spending Growth (annual percentage rate)*	+2.2%
Government Spending Growth (annual percentage rate)*	-3.9%

Source: Global Insight, Calendar Year Estimates – April 2012

* Change from prior year in real dollars

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Final Tier 4

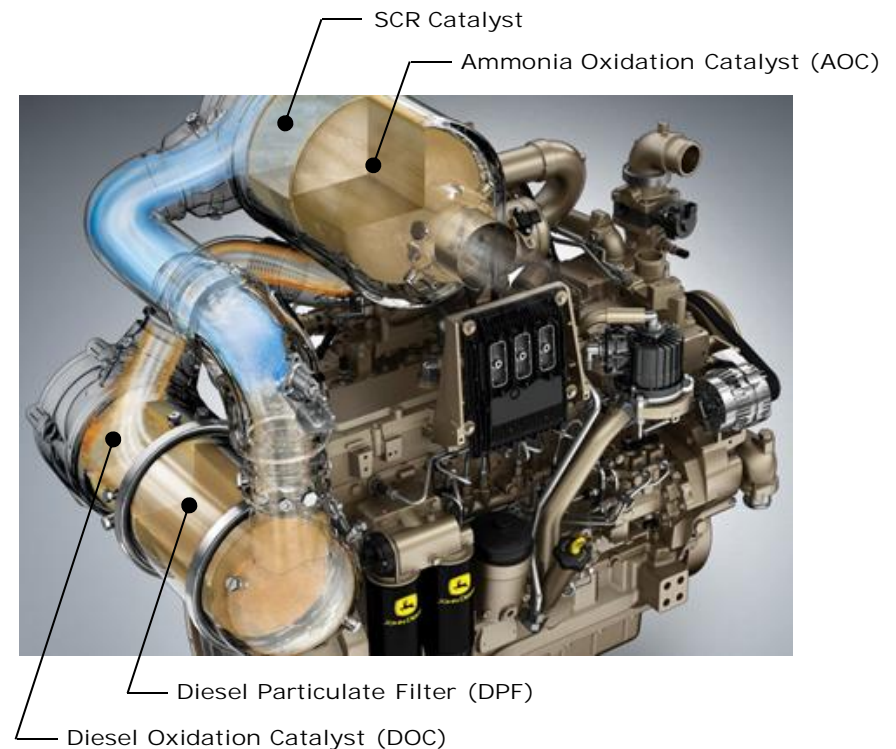
The Right Technology for Maximum Performance

Systematic building-block approach

- Our proven EGR Interim Tier 4 platform combined with our customized selective catalytic reduction (SCR) system

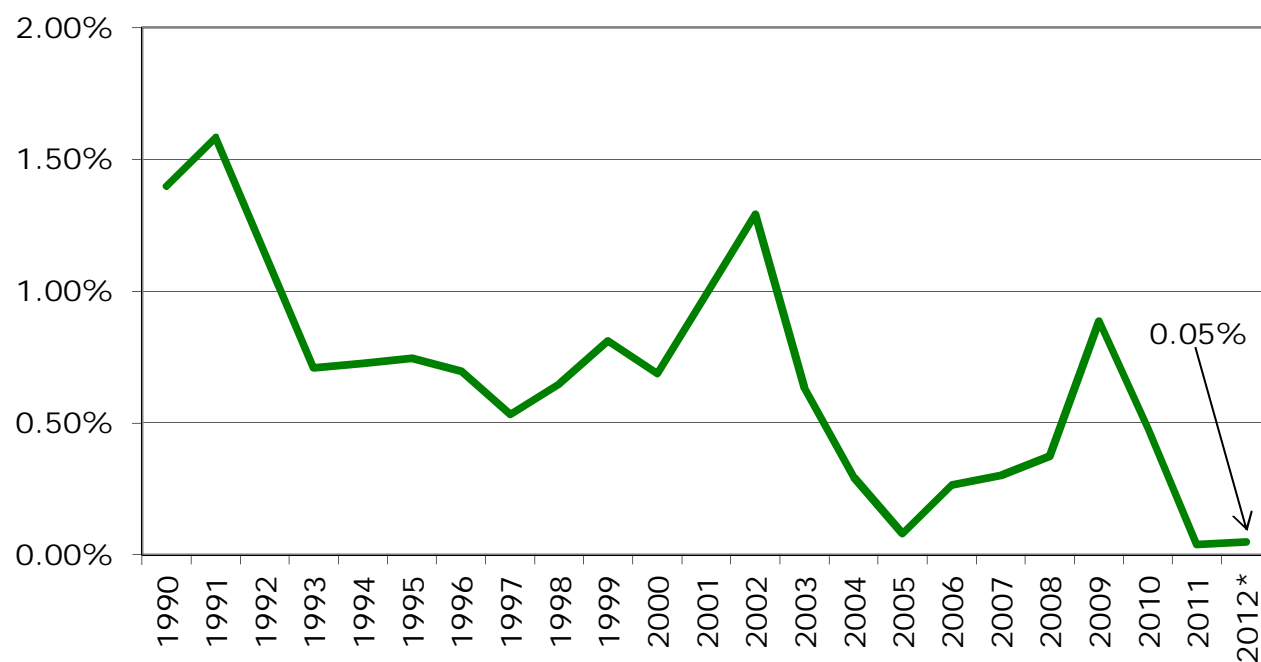
The John Deere advantage:

- Optimized emissions solution
- Fuel and fluid efficient
- Field-proven performance
- Integrated vehicle solution
- Fully supported
 - World-class dealer organization
 - Leading engine manufacturer



Worldwide Financial Services Credit Loss History

Provision for Credit Losses / Average Owned Portfolio



* Annualized provision for credit losses as of 30 April 2012



Worldwide Financial Services

Second Quarter 2012

- Net income attributable to Deere & Company
 - \$109 million in Q2 2012 vs. \$105 million in Q2 2011

Fiscal Year 2012 Forecast

- Net income attributable to Deere & Company of ~ \$465 million
 - Previous forecast: ~ \$460 million

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Consolidated Trade Receivables & Inventory

<i>(in millions of dollars)</i>	Q2 2012* Actual	2012** Forecast	2012** Previous Forecast
A&T	↑ \$1,631	↑ \$500	↑ \$75
C&F	↑ \$676	↑ \$100	↑ \$75
Total, as reported	↑ \$2,307	↑ \$600	↑ \$150
Total, constant exchange	↑ \$2,795	↑ \$800	↑ \$375

* Change at 30 April 2012 vs. 30 April 2011

** Change at 31 October 2012 vs. 31 October 2011

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Material Costs and Freight Equipment Operations

Second Quarter 2012

- Up ~ \$185 million vs. Q2 2011

Fiscal Year 2012 Forecast

- Up ~ \$400 million vs. FY 2011
 - Agriculture & Turf ↑ ~ \$325 million
 - Construction & Forestry ↑ ~ \$75 million
- Previous forecast: Up \$400-\$500 million vs. FY 2011

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)

Research & Development Expense Equipment Operations

Second Quarter 2012

- Up ~ 18% vs. Q2 2011

Fiscal Year 2012 Forecast

- Up ~ 13% vs. FY 2011
- Previous forecast: Up ~ 12% vs. FY 2011
 - Currency translation: ~ (2) points

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)

Selling, Administrative & General Expense Equipment Operations

Second Quarter 2012

- Up ~ 5% vs. Q2 2011
 - Growth: ~ +3 points

Fiscal Year 2012 Forecast

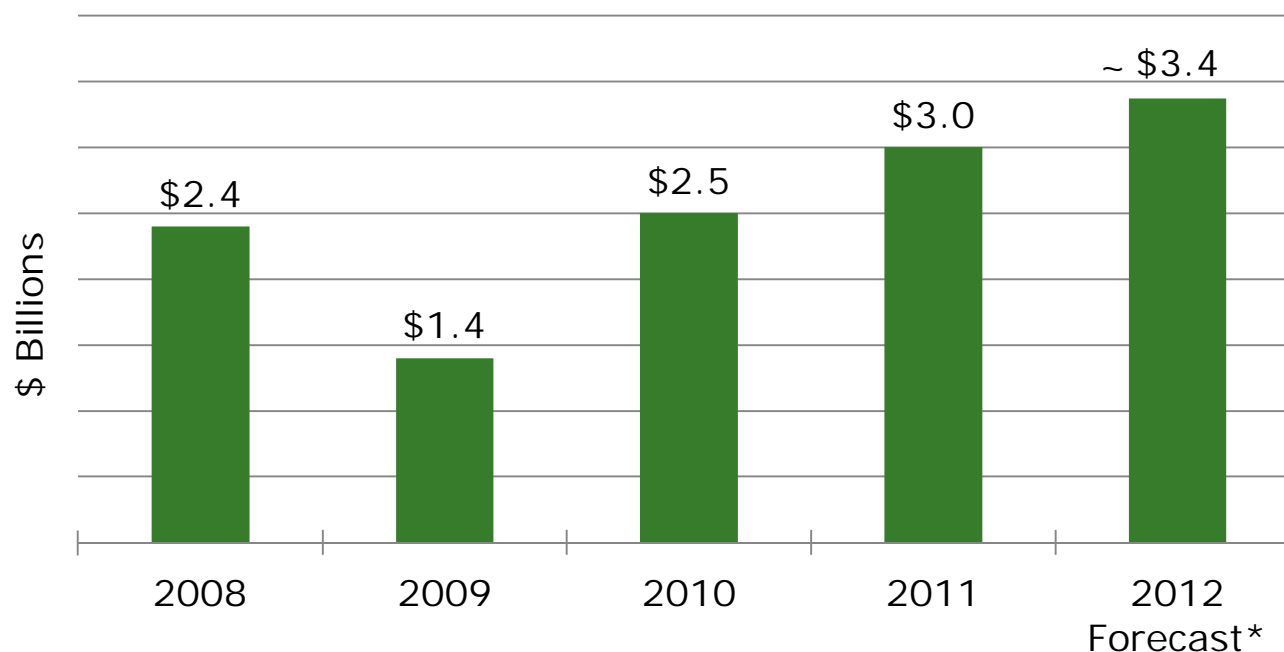
- Up ~ 11% vs. FY 2011
 - Growth: ~ +4 points
 - Currency translation: ~ (2) points
- Previous forecast: Up ~ 10% vs. FY 2011
 - Growth: ~ +4 points
 - Currency translation: ~ (2) points

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Continued Strong Operating Performance Equipment Operations

Fiscal Year Cash Flows from Operations



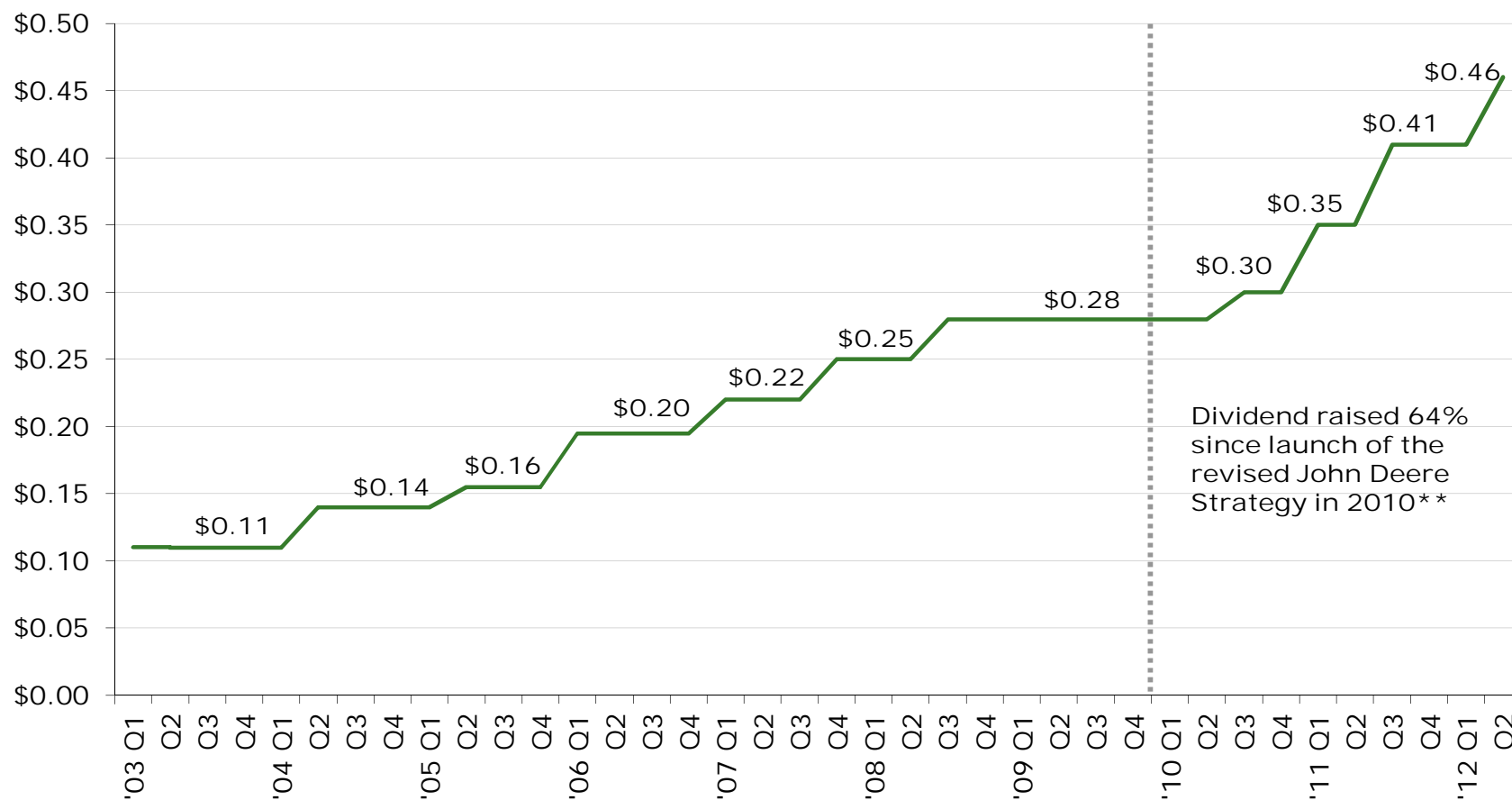
* Previous forecast: ~ \$3.5 billion

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Deere Quarterly Dividends Declared*

Q1 2003 – Q2 2012



* Adjusted for 2 for 1 stock split on 26 November 2007

** See Appendix for revised John Deere Strategy



2012 Company Outlook

Third Quarter 2012 Forecast

- Net sales: Up ~ 25% vs. Q3 2011
 - Price realization: ~ +4 points
 - Currency translation: ~ (4) points

Fiscal Year 2012 Forecast

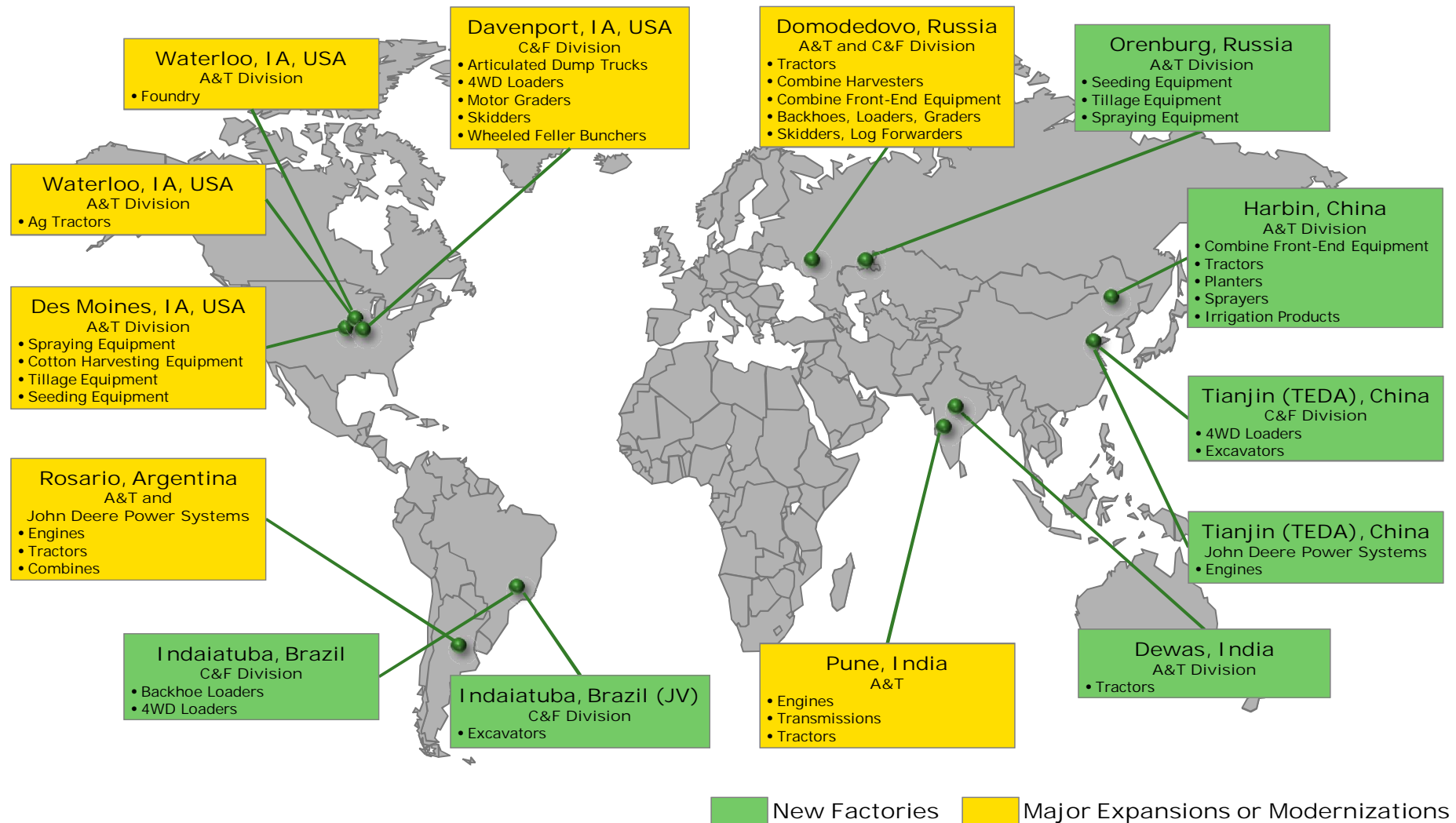
- Net sales: Up ~ 15% vs. FY 2011
 - Price realization: ~ +4 points
 - Currency translation: ~ (3) points
- No change from previous forecast
- Net income attributable to Deere & Company of ~ \$3.35 billion
- Previous forecast ~ \$3.275 billion

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Global Expansion

Major Equipment Factory Investments



Appendix



THE JOHN DEERE STRATEGY

OUR PURPOSE: Committed to those linked to the land

OUR ASPIRATIONS

Realizing sustainable SVA growth through global expansion

Global Agricultural
Equipment Solutions
Preeminence

Globally Diverse
Construction Equipment
Solutions

\$50B Sales
(2018 @ Mid-Cycle)

12% Operating Margins
(2014 @ Mid-Cycle)

2.5 Asset Turns
(2018 @ Mid-Cycle)

INTEGRATED ENTERPRISE

Leveraging the strengths and unique capabilities of three types of businesses

Global Growth Businesses

Complementary Businesses

Supporting Businesses

CRITICAL SUCCESS FACTORS

Developing the capabilities essential to reaching our goals

Deep Customer
Understanding

Deliver
Customer Value

World-Class
Distribution System

Grow Extraordinary
Global Talent

FOUNDATIONAL SUCCESS FACTORS

Building on the core strengths that have guided our success

Exceptional Operating Performance

Disciplined SVA Growth

Aligned High-Performance Teamwork

MEASURES

Delivering results today, within each business, while building for the future

Performance

Health

JOHN DEERE VALUES

Unwavering adherence to the values that unite – and differentiate – us

Integrity

Quality

Commitment

Innovation



April 2012 Retail Sales and Dealer Inventories

Retail Sales		
U.S. and Canada Ag	Industry*	Deere**
Utility Tractors	↑ 12%	↑ a high single digit
Row-Crop Tractors	↑ 2%	↑ in line with the industry
4WD Tractors	↑ 1%	↑ slightly more than the industry
Combines	↓ 25%	↓ more than the industry

Deere Dealer Inventories***		
U.S. and Canada Ag	2012	2011
Row-Crop Tractors	18%	17%
Combines	10%	10%

* As reported by the Association of Equipment Manufacturers

** As reported to the Association of Equipment Manufacturers

*** At 30 April – in units as a % of trailing 12 months retail sales, as reported to the Association of Equipment Manufacturers



April 2012 Retail Sales

EU 27	Deere*
Tractors	flat
Combines	↑ a single digit

U.S. and Canada	Deere*
Selected Turf & Utility Equipment	↑ double digits

U.S. and Canada – Construction & Forestry	Deere*
First-in-the-Dirt	↑ double digits
Settlements	↑ double digits

* Based on internal sales reports

Income Taxes

Equipment Operations

Second Quarter 2012

- Effective tax rate: ~ 33%

Fiscal Year 2012 Forecast

- Projected effective tax rate: 33-35%
 - No change from previous forecast

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)

Other Information Equipment Operations

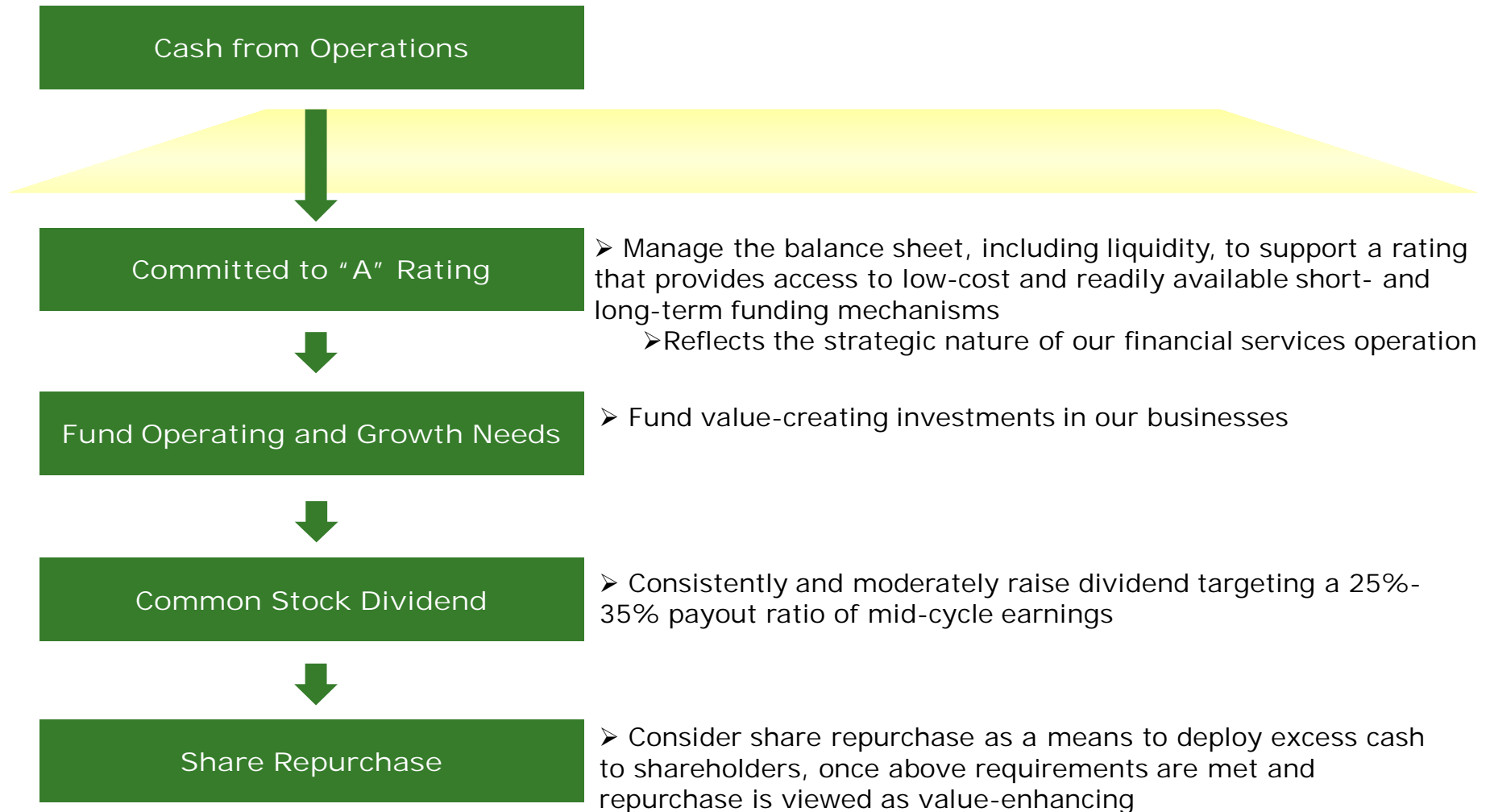
Fiscal Year 2012 Forecast

- Capital Expenditures: ~ \$1.3 billion
 - No change from previous forecast
- Depreciation and Amortization: ~ \$650 million
 - No change from previous forecast
- Pension/OPEB Contributions: ~ \$450 million
 - No change from previous forecast

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Deere Use-of-Cash Priorities



Share Repurchase

As Part of Publicly Announced Plans

Cumulative cost of repurchases 2004-2Q2012:	~ \$8.3 billion
Amount remaining on May 2008 authorization of \$5 billion:	~ \$3.3 billion
30 April 2012 period ended shares (basic):	~ 397.7 million
(diluted):	~ 402.1 million
Shares repurchased 2004-2Q2012:	~ 149.8 million
Average repurchase price 2004-2Q2012:	\$55.64

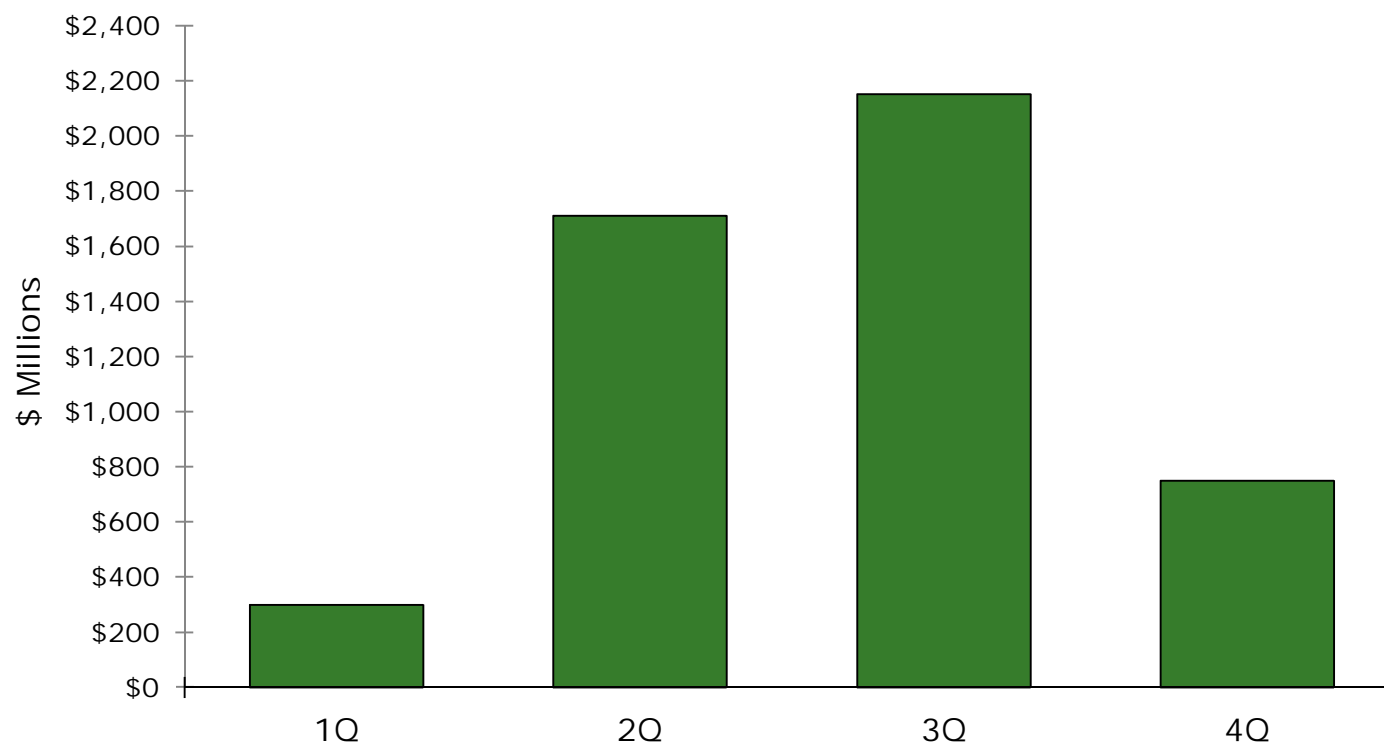
Actual	Shares Repurchased* (in millions)	Total Amount** (in billions)
2004	5.9	\$0.2
2005	27.7	\$0.9
2006	34.0	\$1.3
2007	25.7	\$1.5
2008	21.2	\$1.7
2009	0.0	\$0.0
2010	5.2	\$0.4
2011	20.8	\$1.7
2012 YTD	9.3	\$0.7

* All shares adjusted for two-for-one stock split effective 26 November 2007

** Rounded totals for each period – sum may not tie to cumulative cost of repurchases 2004-2Q2012



Worldwide Financial Services 2012 Unsecured Term Debt Maturities*

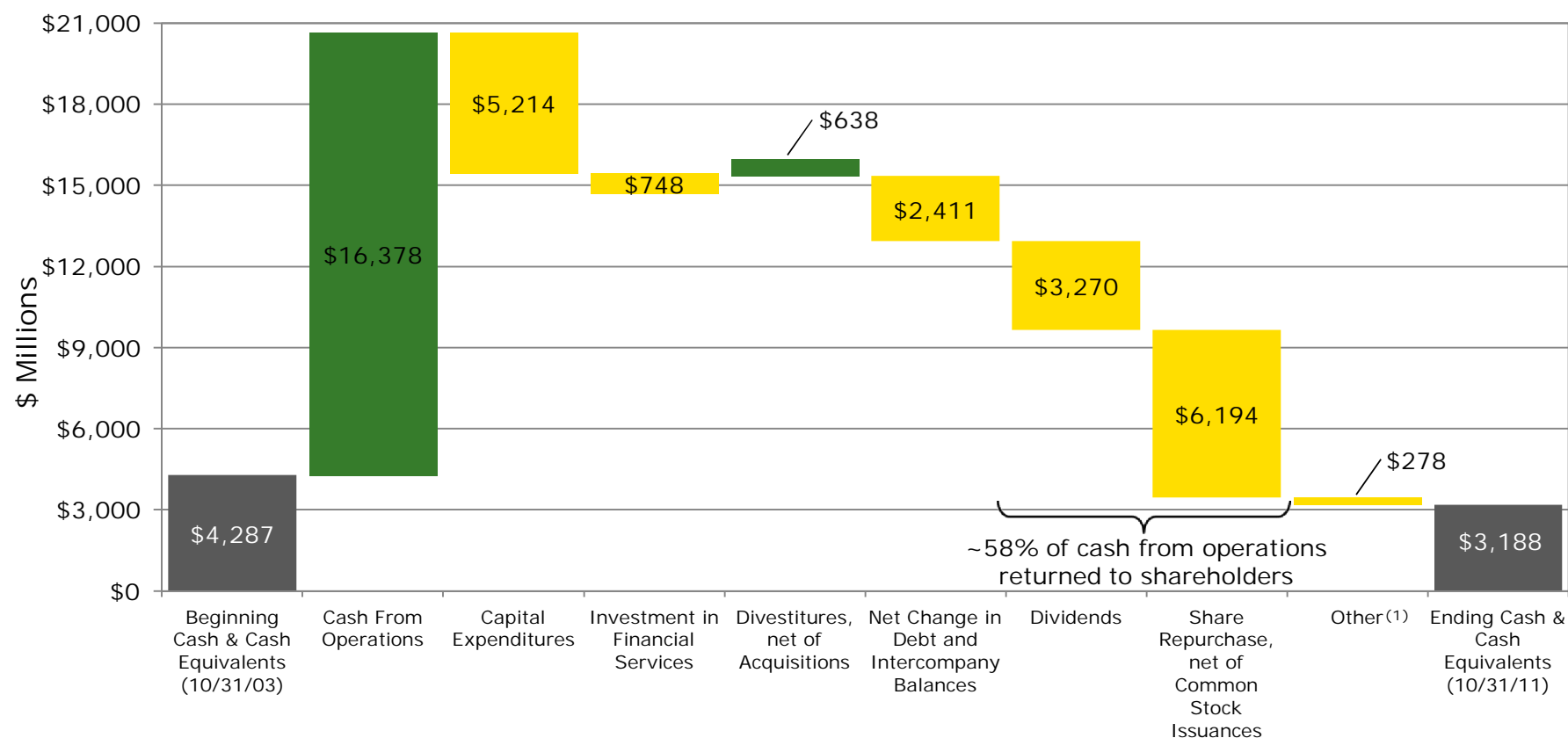


* Maturities as of 30 April 2012



Sources and Uses of Cash Fiscal 2004–2011

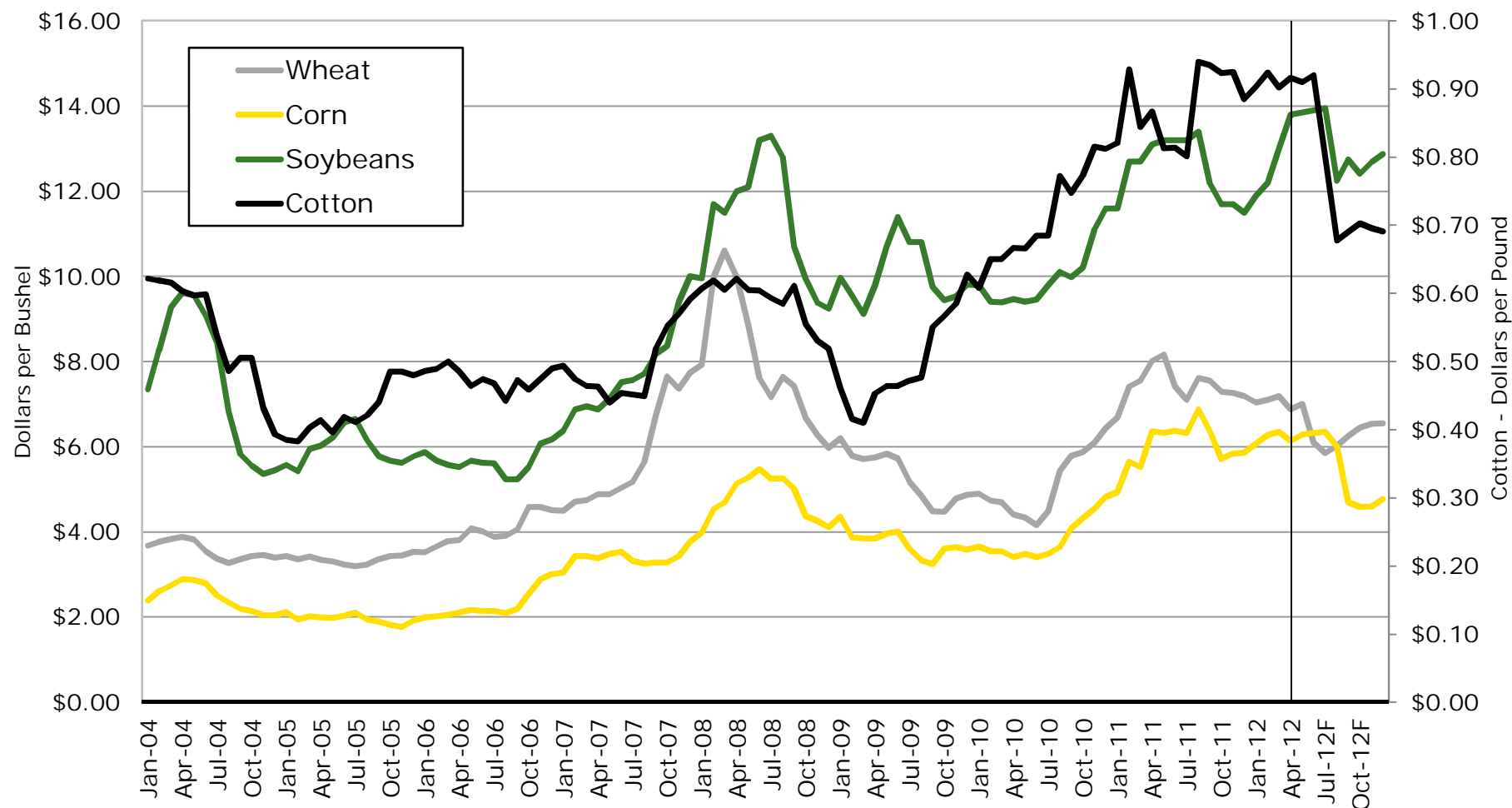
Equipment Operations



(1) Other includes proceeds from maturities and sales of marketable securities and purchases of marketable securities and reconciliation for non-cash items including excess tax benefits from share-based compensation and the effect of exchange rates on cash and cash equivalents

Source: Deere & Company SEC filings

U.S. Farm Prices



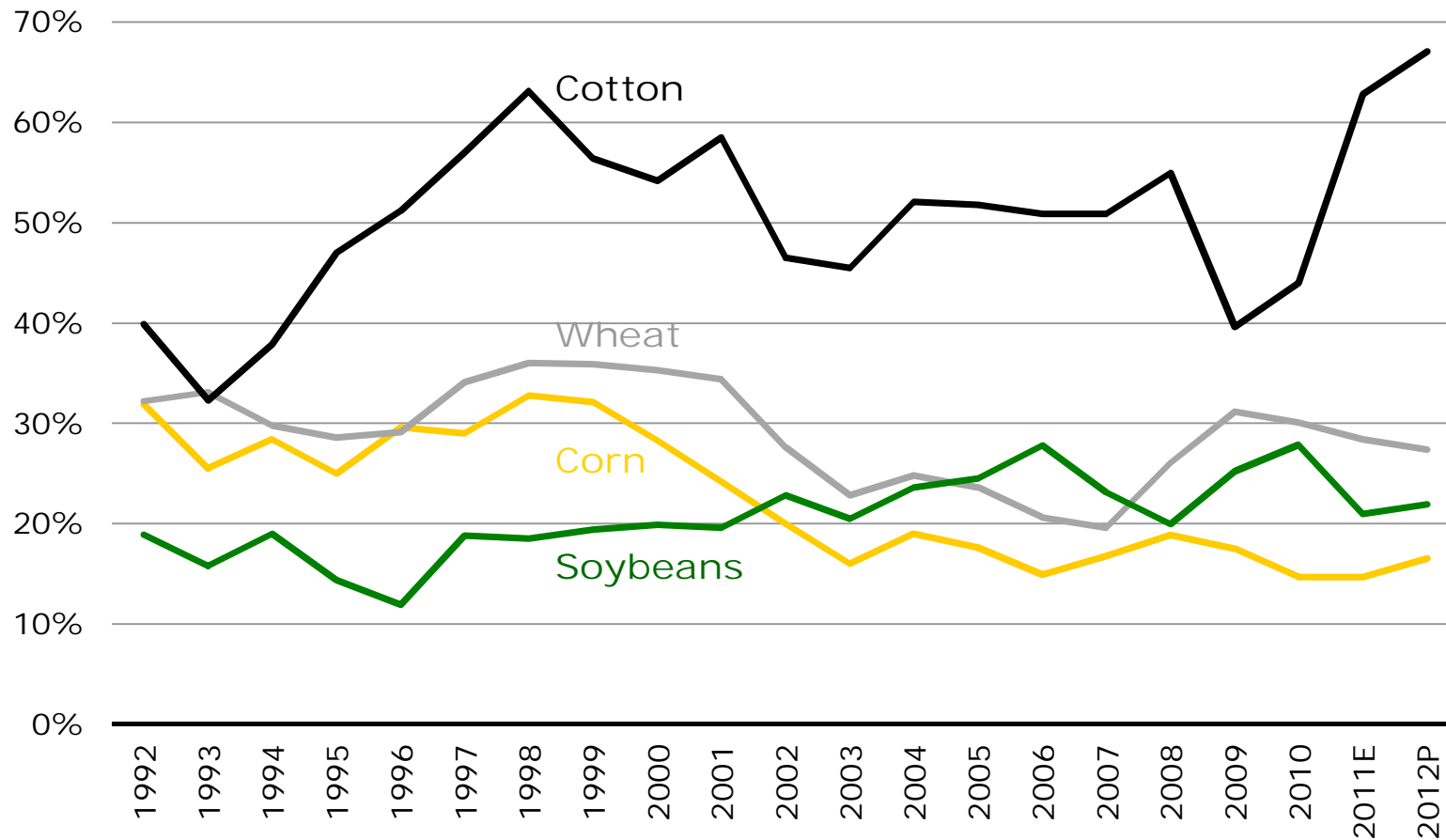
Source: Actual Data: USDA

Forecast Data: Deere & Company Forecast as of 16 May 2012



World Farm Fundamentals

Global Stocks-To-Use Ratios



Source: USDA – 10 May 2012



U.S. Net Farm Cash Income

<i>(in billions of dollars)</i>	2010	2011 Forecast	Previous 2011	2012 Forecast	Previous 2012
Total Cash Receipts	\$326.7	\$374.2	\$381.4	\$375.3	\$371.9
Other Cash Income	\$18.3	\$22.6	\$19.5	\$22.0	\$22.0
Gross Cash Income	\$345.0	\$396.8	\$400.9	\$397.3	\$393.9
Cash Expenses	(\$252.7)	(\$287.4)	(\$286.2)	(\$295.0)	(\$290.0)
Net Cash Income	\$92.3	\$109.4	\$114.7	\$102.3	\$103.9

Deere & Company Forecast as of 16 May 2012 (Previous Forecast as of 15 February 2012)



Deere's third quarter 2012 conference call
is scheduled for 9:00 a.m. central time
on Wednesday, August 15, 2012



JOHN DEERE